



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**VIA E-MAIL ONLY**

June 16, 2017

Mr. Jamie Schlottman, CEO  
Louisiana Healthcare Connections  
8585 Archives Avenue, 3rd Floor  
Baton Rouge, LA 70809

Dear Jamie:

**RE: Notice of Action Regarding the Updating of Fee Schedules and Recycling of Claims**

Louisiana Healthcare Connections (LHCC) has failed to update its systems to include the 2017 Healthcare Common Procedure Coding System (HCPCS) Update. This update included fee schedules for Home Health, Professional Services, Laboratory and Radiology, Ambulatory Surgical Centers (Non-Hospital), Fee Standing Rehabilitation, Take Charge Plus and Immunization. LHCC has also failed to perform a recycling of denied claims related to the 2017 HCPCS Update. Due to these failures, approximately \$1 million dollars in outstanding unpaid claims has accrued.

Section 9.6 of the contract between LHCC and the Louisiana Department of Health (LDH) provides:

**Inappropriate Payment Denials**

If the MCO has a pattern of inappropriately denying or delaying provider payments for services, the MCO may be subject to suspension of new enrollments, sanctions, contract cancellation, or refusal to contract in a future time period. This applies not only to situations where DHH has ordered payment after appeal but to situations where no appeal has been made (i.e. DHH is knowledgeable about the documented abuse from other sources).

LHCC received the code updates on March 2, 2017 (all except immunization) and March 6, 2017 (immunization). LHCC notified LDH on June 9, 2017, that three of the claims projects related to these code updates had not been completed and provided no date by which these projects would

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be competed. It is unacceptable that LHCC has failed to make the necessary system updates, causing a significant delay in payments to providers.

Please notify me in writing when all updates have been made and all payments recycled. **If LHCC has not updated its system and recycled all outstanding claims by June 30, 2017, the auto-assignment of new enrollees to LHCC will stop effective July 15, 2017.**

Please do not hesitate to contact me if you have any questions.

Sincerely,



Stacy Guidry  
Section Chief, Health Plan Management

SG/lj

cc: Whitney Martinez  
Jen SteeleAm  
Kim Sullivan  
File #: LHC2-05